

# ORIGINAL NEW APPLICATION



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Attorneys for Litchfield Park Service Company

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AZ CORP COMMISSION  
DOCUMENT CONTROL

## BEFORE THE ARIZONA CORPORATION COMMISSION

SW-01428A-06-0444

IN THE MATTER OF THE APPLICATION OF ) DOCKET NO. SW-01428A-06-\_\_\_\_  
LITCHFIELD PARK SERVICE COMPANY FOR )  
A CAPACITY RESERVATION CHARGE ) **TARIFF APPLICATION**  
TARIFF FOR ITS NEW WASTEWATER )  
CERTIFICATE OF CONVENIENCE AND )  
NECESSITY EXTENSION AREAS. )

Litchfield Park Service Company ("Litchfield" or the "Company") hereby submits, by and thru undersigned counsel, a Capacity Reservation Charge ("CRC") Tariff in compliance with Decision No. 68744, dated June 6, 2006.

1. The Company incurs a substantial additional capital requirement and obligation when it agrees to expand its wastewater Certificate of Convenience and Necessity associated with the request for a Developer seeking wastewater service for its new development from the Company.

2. The required Wastewater Treatment Plant capacity, associated force mains, and lift stations are not included in the Company's existing facilities or capital budgets. Therefore, it is fair and equitable to the Developer, the Company and the Company's existing and future ratepayers that the Developer participates in the capital costs caused by that Developer's speculative development.

3. The proposed Tariff would apply only to new wastewater developments for which the Company would be required to seek an extension of its Certificate of Convenience and Necessity from the Commission.

4. The Company has prepared an estimate of those capital costs on a Residential Equivalent Unit basis. That estimate is based on the Town of Buckeye's current cost estimate of \$7.60 per gallon for a plant similar to the Palm Valley Water Reclamation Facility operated by the Company. Utilizing 100 gallon per day ("GPD") for 3.2 residents per household, the Residential Equivalent Unit is \$2,432 (\$7.60 a gallon times 320 GPD), rounding to \$2,450. This cost assumes an expansion of an existing plant with certain head works already in place. A totally new plant would cost approximately \$16 per gallon.

5. Attached hereto as Attachment A is a Tariff, substantially in the form of other similar tariffs approved by the Commission.

6. The Company requests that this Tariff be reviewed and approved pursuant to ARS § 40-367 without an evidentiary hearing.

WHEREFORE, the Company respectfully requests that the Commission review and approve the enclosed Tariff and thereafter provide a conformed copy to the Company.

Respectfully submitted this 5<sup>th</sup> day of July 2006.

SALLQUIST, DRUMMOND & O'CONNOR, P.C.

By: Richard L. Sallquist  
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1  
2 The original and ten copies of STV  
3 the foregoing were filed this  
day of July, 2006:

4 Docket Control  
5 Arizona Corporation Commission  
6 1200 W. Washington St.  
Phoenix, AZ 85007

7 A copy of the foregoing was  
8 STV ~~mailed~~/hand delivered this  
day of July, 2006, to:

9 Hearing Division  
10 Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

11 Legal Division  
12 Arizona Corporation Commission  
1200 W. Washington St.  
13 Phoenix, AZ 85007

14 Utilities Division  
15 Arizona Corporation Commission  
1200 W. Washington St.  
16 Phoenix, AZ 85007

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DOCKET WS-01428

Cancelling Sheet No.

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Applies to all WASTEWATER service areas

**PART FOUR**

**STATEMENT OF TERMS AND CONDITIONS**  
**WASTEWATER SERVICE**

K. Capacity Reservation Charge.

1. Applicable to: In addition to any other Arizona Corporation Commission approved charges and requirements for on-site facilities to be installed pursuant to main extension agreements, the following Capacity Reservation Charge ("CRC Fees") is applicable to (1) all new Service Connections requiring a main extension agreement located in an area that is not, at the time of the request for service, located within the area certificated by the Commission and for which the Company will seek a Certificate of Convenience and Necessity, or (2) to the equivalent number of Service Connections receiving service related to a wholesale agreement under which the Company provides treatment services for a Development located outside of the Company's existing Certificate of Convenience and Necessity.

2. Purpose: To equitably apportion the costs of off-site wastewater facility development among all new service connections which place a demand on the Company's wastewater system and which were not in the Company's planning area.

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Issued July 5, 2006

Effective August 5, 2006

ISSUED BY:

Bob Dodds, General Manager  
Litchfield Park Service Company  
12725 W. Indian School Road, Suite D-101  
Avondale, AZ 85323

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**ATTACHMENT A**

DOCKET WS-01428

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3. Definitions:

“Applicant” means any party entering into an agreement with Company for the installation of wastewater facilities to serve new Service Connections.

“Company” means Litchfield Park Service Company.

“Main extension agreement” means any agreement whereby an applicant agrees to advance the costs of the installation of wastewater facilities to Company to serve new Service Connections, or install water facilities to serve new service connections and transfer ownership of such wastewater facilities to Company.

“Off-site facilities” means treatment plant, sludge disposal facilities, effluent disposal facilities and related appurtenance necessary for proper operation, including engineering and design costs. Offsite facilities may also include lifts stations, force mains, trunk collection mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of applicant.

“Service Connection” means and includes all service connections for single-family residential or other uses.

4. Capacity Reservation Charge: Each new Service Connection shall pay the total CRC Fee per Service Connection of \$2,450, based on the Residential Equivalent Unit of 320 gallons per day.

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5. Terms and Conditions:

- A. Time of payment: In addition to the amounts to be advanced pursuant to a main extension agreement, the applicant for new wastewater services shall pay the Company the CRC Fee as determined by Service Connections to be installed pursuant to the main extension agreement. Payment of the CRC Fee shall normally be made at the time of execution of the main extension agreement or prior to commencement of construction of the wastewater facilities to be installed by applicant pursuant to the main extension agreement. However, in the event a Developer requests the Company commit to service to units within a master planned development for which main extension agreements have not been executed as of the date of such commitment, then and in that event, the Company and Developer shall enter an agreement scheduling payment of CRC Fees to insure that the Company is able to complete construction of the required facilities prior to necessity for service to the Development.
- B. CRC Fee Non-refundable: The base fee amounts collected by the Company pursuant to the CRC Fees shall be non-refundable advances in aid of construction, except as allowed in a main extension agreement.
- C. Trust Account: All funds collected by the Company as CRC Fees shall be deposited into a separate interest bearing trust account and used
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solely for the purpose of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.

- D. Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the CRC Fee or the CRC Fee has been terminated by order of Arizona Corporation Commission, any funds remaining in the trust account shall be refunded. The manner of the refund shall be determined by the Commission at the time of refund becomes necessary.

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